



PROTECTIONS SOUGHT FOR CONSUMERS' OUTSOURCED FINANCIAL AND MEDICAL RECORDS

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Washington, D.C. – Foreign companies who have access to Americans' financial and medical records through corporate outsourcing deals would have to comply with U.S. privacy protections under legislation introduced today in the U.S. Senate by Sens. Bill Nelson (D-FL) and Dianne Feinstein (D-CA).

Introduction of the privacy protection measure comes at a time when U.S. businesses are increasingly exporting jobs that involve the overseas processing of sensitive customer information, such as tax returns and medical records. A study released Monday by a leading independent marketing research firm found that American companies are shipping jobs overseas at a faster paced than originally thought. The Forrester Research study projected that 830,000 American jobs will be outsourced by 2005 – many of them call centers that handle U.S. companies' customer service operations.

"Not only are jobs fleeing our shores but so is our privacy," said Nelson. "If foreign companies are going to do our work then we need to make sure they're going to protect our consumers' most private information."

"While many are concerned that outsourcing abroad hurts American workers, it also poses risks to the security and privacy of American consumers' personal data," Feinstein said. "The recent wave of international outsourcing means that we are flooding the entire world with our most sensitive information. This legislation will help safeguard Americans' most important and sensitive personal information when it is sent abroad for processing to countries that may have lax security and privacy standards."

The legislation would, among other things, require contracts between U.S. companies and their overseas contractors to follow U.S. privacy standards and calls for American companies to notify customers when their sensitive personal information is being shared with foreign companies. The measure also would allow certain federal agencies to impose fines on U.S. companies that fail to protect outsourced financial and medical records.

A recent case that spurred both Nelson and Feinstein to introduce legislation occurred last fall when a U.S. hospital hired a medical transcriber in Pakistan through a subcontractor to work with sensitive patient health information. Later, the foreign worker claimed she hadn't been paid for her work. So, she threatened to post patients' medical records online unless she was paid.

Currently, an estimated 80% of jobs outsourced overseas go to India, where tax experts say an estimated 200,000 American tax returns were prepared this year. While India has been the biggest

benefactor of the recent outsourcing trend, China, The Philippines, Brazil and Eastern Europe are all increasing their marketing activities to attract U.S. jobs.